News Release



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U.S. Labor Department Sues Chicago 401(k) Plan Sponsor For Failing to Remit Employee Contributions

CHICAGO –The U.S. Department of Labor has sued Chicago-based Atash Fire & Safety Equipment Co. and its 401(k) plan sponsor for failing to remit employee contributions to the plan and to secure appropriate fidelity bonding for the plan as required by the Employee Retirement Income Security Act (ERISA).

"Our action in the Atash case affirms the department's commitment to protect the hard-earned benefits of America's workers," said Ken Bazar, director of the department's Chicago regional office of the Employee Benefits Security Administration (EBSA), which investigated the case.

The department alleges that Atash's president, John Puttrich, failed to deposit certain employee contributions into the plan from Jan. 9, 1998, through May 9, 2002, and co-mingled the assets with those of the company's general funds.

The lawsuit, filed in federal district court in Chicago, is seeking to restore plan assets and lost opportunity costs and to remove Puttrich and the company as fiduciaries to the plan and bar them from serving any ERISA-covered plan in the future. The suit also asks that they be replaced with an independent fiduciary to manage the plan and obtain a fidelity bond.

Atash provides fire protection services. Its plan had approximately 12 active participants and \$106,483 in assets.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, could be eligible to participate in the department's Voluntary Fiduciary Correction Program. Participation in the VFCP requires employers to make workers whole, but allows them to avoid EBSA enforcement actions and civil penalties, as well as excise taxes. For more information about the VFCP, see www.dol.gov/ebsa.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers can contact the Chicago regional office at (312) 353-0900 or through EBSA's toll-free number at **1-866-444-EBSA** (3272), for help with problems pertaining to private-sector retirement and health plans.

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(Chao v.Atash Fire & Safety Equipment Co.) Civil Action No. 04-C-3964

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